

HOUSE JOINT RESOLUTION NO. 44

INTRODUCED BY A. CURTISS, R. BROWN, DELL, FISHER, G. FORRESTER, HAINES, JUNEAU,
MATTHEWS, D. MOOD, OLSON, SCHMIDT, STORY

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
MONTANA REQUESTING FEDERAL INTERVENTION TO STABILIZE WHOLESALE ELECTRICITY PRICES IN
THE WEST.

WHEREAS, wholesale prices of electricity have soared to unprecedented levels, reaching as high
as 30 times the prices of a year ago; and

WHEREAS, many of the state's largest businesses purchase power at rates tied to wholesale price
indices, and a growing number of these businesses have been compelled to curtail production or cease
operations altogether and lay off hundreds of workers because of high energy costs; and

WHEREAS, wholesale price increases will lead to sharp increases in retail electricity prices for
business, agricultural, and residential consumers in Montana in the near future, with potentially devastating
economic consequences; and

WHEREAS, high wholesale energy prices threaten the solvency of utilities in Montana and
throughout the Northwest region; and

WHEREAS, taxpayer-supported public entities such as the Montana university system, other public
schools, and local governments face unanticipated cost increases for energy and may have to scale back
their operations to meet these costs; and

WHEREAS, ~~the wholesale power market is a matter of federal jurisdiction~~ THE FEDERAL ENERGY
REGULATORY COMMISSION EXERCISES JURISDICTION OVER WHOLESALE POWER GENERATION SOLD IN INTERSTATE
COMMERCE; and

WHEREAS, actions taken to date by the federal Department of Energy and the Federal Energy
Regulatory Commission to address problems in the wholesale market have not resulted in any meaningful
reduction in wholesale power prices; and

WHEREAS, in December 2000 and in January, 2001 the United States Secretary of Energy issued
orders requiring certain energy entities to generate, deliver, interchange, and transmit electrical energy
when requested by the California independent system operator, and these orders have been extended on

1 repeated additional occasions; and

2 WHEREAS, several of the companies that received the energy from these entities are in an unstable
3 financial condition, and there are serious questions about their ability to meet their obligations to pay for
4 this electricity; and

5 WHEREAS, without strong and immediate action by the federal government to lower wholesale
6 power prices, Montana and other western states could suffer long-term and irreversible economic harm.

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8 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
9 STATE OF MONTANA:

10 That the President of the United States, the U.S. Department of Energy, and the Federal Energy
11 Regulatory Commission take strong, short-term measures to reduce wholesale prices throughout the
12 Western region.

13 BE IT FURTHER RESOLVED, that the new administration act immediately to develop and implement
14 a long-term strategy to reform the wholesale energy market to avoid continued price spikes that threaten
15 to undermine the prosperity of the western United States.

16 BE IT FURTHER RESOLVED, that the new administration commit to providing assistance to
17 low-income citizens who are most at risk from volatile energy prices.

18 BE IT FURTHER RESOLVED, that the federal government commit to allowing the western states
19 to work toward fulfilling the region's energy supply needs through existing relationships and to refraining
20 from any additional orders directing suppliers to provide electricity to California.

21 BE IT FURTHER RESOLVED, that copies of this resolution be immediately transmitted to the
22 Honorable George W. Bush, President of the United States, the Honorable Spencer Abraham, Secretary
23 of Energy, the members of the Federal Energy Regulatory Commission, the President of the United States
24 Senate, the Speaker of the House of Representatives, and each member of Congress from the state of
25 Montana.

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